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Message Text

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PAGE 01 LIMA 02597 281725Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----------014279 281735Z /43
O 281657Z MAR 78
FM AMEMBASSY LIMA
TO SECSTATE WASHDC IMMEDIATE 9300

C O N F I D E N T I A L LIMA 2597

EXDIS

E.O. 11652: GDS
TAGS: EFIN PE
SUBJ: PERU TO PARIS CLUB IN APRIL?

REF: (A) STATE 74567; (B) LIMA 2057; (C) LIMA 2500

1. THE SO-CALLED INTERNATIONAL STEERING COMMITTEE (REF A) SPENT ALMOST TWO HOURS WITH PRESIDENT MORALES BERMUDEZ AT HIS BEACH HOUSE YESTERDAY. US BANK REPRESENTATIVES ON THE COMMITTEE MET INFORMALLY WITH THE AMBASSADOR, THE DCM AND THE ECONOMIC COUNSELOR BOTBMCFORE AND AFTER THAT SESSION. THEY TOLD US LAST NIGHT THAT THE PRESIDENT HAD INDICATED TO THEM HIS FIRM DECISION TO SEEK A PARIS CLUB ARRANGEMENT, PERHAPS IN THE SECOND HALF OF APRIL.

2. COMMENT: ALTHOUGH THESE PARTICULAR BANKERS CLAIMED NOT TO FAVOR PERU'S RESORT TO THE PARIS CLUB, WE UNDERSTAND OTHERS HAVE BEEN URGING THE GOP ON THE GROUNDS OF "CONSISTENCY" OR "EQUITY" TO SEEK ROLLOVER OF OFFICIAL DEBT IN PARALLEL WITH NEGOTIATION TO ROLLOVER THE $260 MILLION OF PRIVATE BANK DEBT. THUS FAR THE GOP HAS DEALT WITH GOVERNMENTS ON A BILATERAL BASIS, FOR EXAMPLE, IN ATTEMPTING TO RESCHEDULE THE SOVIET ARMS PAYMENTS AND TO ROLLOVER THE SWAP WITH VENEZUELA. PAYMENTS
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ON OFFICIAL DEBT TO THE U.S., AS FAR AS WE ARE AWARE, HAVE BEEN MADE ON SCHEDULE, WITH THE GOP EMPHASIS ON MAINTAINING OR INCREASING CREDIT LINES FOR EXIM, CCC, AND FMS. WE HAVE TO ASSUME THAT MORALES BERMUDEZ REALIZES THE POSSIBLE NEGATIVE CONSEQUENCES ON SUCH CREDIT LINES OF A PARIS CLUB MEETING. PERHAPS, IN SPITE OF HIS HEARTENING REPORT TO THE BANKERS ON ADDITIONAL

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ECONOMIC MEASURES (SEPTEL), THE FINANCIAL OUTLOOK IS EVEN MORE GRIM THAN WE OR THE IMF HAVE BEEN LED TO BELIEVE.

3. ACTION REQUESTED: IT WOULD SEEM ADVISABLE AT THIS POINT TO RAISE THE ISSUE WITH THE GOP. (ALTHOUGH THE PRESIDENT'S STATEMENTS WERE GIVEN TO US IN CONFIDENCE, THERE ARE NOW SUFFICIENT PUBLISHED RUMORS OF A POSSIBLE PARIS CLUB EXERCISE TO PERMIT AN OFFICIAL INQUIRY.) WE WILL NEED THE DEPARTMENT'S GUIDANCE ON THE USG'S ATTITUDE IN ORDER TO EXPLORE THIS MATTER.
SHLAUDEMAN

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